



**U.S. Department of Justice**

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**FOR IMMEDIATE RELEASE**

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**HOSPITAL CENTER AGREES TO PAY \$250,000 TO SETTLE  
OXYCONTIN BASED CONTROLLED SUBSTANCE ACT VIOLATIONS**

Baltimore, Maryland - United States Attorney Allen F. Loucks announced today that the University of Maryland Medical System (UMMS) has agreed to pay the government \$250,000 to settle claims that it violated record keeping provisions of the Controlled Substances Act relating to the prescription drug Oxycontin which is sold at two of its outpatient pharmacies in Baltimore. In addition to the payment, UMMS has agreed to make significant investments to prevent, detect and report controlled substance losses at its downtown Baltimore campus.

Concerns over UMMS record keeping practices emerged in August, 2001 after UMMS voluntarily reported to the Drug Enforcement Administration (DEA) that it experienced losses of Oxycontin at its outpatient pharmacy at 22 South Greene Street, and its retail pharmacy at 419 Redwood Street. An investigation into the losses revealed that approximately 7,900 dosage units of 40 mg and 80 mg Oxycontin were unaccounted for at both locations during the previous year.

The Controlled Substances Act is the primary federal law regulating the flow of controlled substances into the marketplace for medical purposes. Among other requirements, the Act requires pharmacies and hospitals authorized by DEA to dispense controlled substances by prescription, to maintain complete and accurate records of the receipt and distribution of those substances in its possession. The Act authorizes the imposition of up to a \$10,000 per violation of these record keeping requirements. The government's investigation established that

UMMS committed multiple violations of Controlled Substances Act by failing to keep accurate records of the receipt and distribution of Oxycontin at the outpatient and retail pharmacies and by failing to timely submit loss reports to the DEA.

Under the terms of the agreement signed last week, UMMS will pay the government \$500,000 with \$250,000 to be paid immediately and the remaining \$250,000 to be paid in two years. The government has agreed to waive collection of the remaining \$250,000, if UMMS meets terms outlined in the agreement to take remedial measures to prevent future losses of controlled substances. Among those terms are that UMMS will continue to maintain a controlled substance review committee to set policy concerning the purchase, dispensing and storage of controlled substances at its downtown Baltimore campus. UMMS will hire a medication security officer whose primary responsibility will be to assure campus-wide compliance with state and federal laws regulating controlled substances. In addition, UMMS will use advanced technology at its pharmacies to prevent losses, including digitally based closed-circuit cameras and electronically operated controlled substance storage vaults at both of its public pharmacies.

“The theft of addictive controlled drugs such as Oxycontin is a serious problem and the government relies on those licensed to distribute these drugs to fully comply with federal regulatory requirements intended to prevent those losses,” noted United States Attorney Allen F. Loucks. “When a licensee fails to follow these rules, the risk of theft increases, as does the risk to the public. That said, the requirements imposed on UMMS by this settlement show that its management takes these losses seriously and will take appropriate measures to assure that losses of this magnitude do not occur in the future.”

The government’s investigation was handled by Assistant United States Attorneys Michael A. DiPietro and Virginia B. Evans and investigative auditor Mary G. Hammond, in conjunction with the Drug Enforcement Administration, Baltimore District Diversion Group.